

REPORTING

Note X – Violation of Finance-Related Legal and Contractual Provisions

INSTRUCTIONS TO PREPARER

If there was a violation of finance-related legal or contractual provisions the city/county/district should disclose both the description of the violation(s) and the action(s) taken to address the violation(s).

Example:

At December 31, 20__ the following funds reported deficits in the fund balances or fund net position, which are violations of state statute:

<i>Fund</i>	<i>Deficit</i>
	\$
	\$

The city/county/district took the following action to eliminate the deficits in the fund(s):

Example:

The (city/county/district) was not in compliance with (identify the material violations of finance-related legal or contractual provisions, such as bond covenants or grant terms). The (city/county/district) has (describe actions, agreements, or other steps taken to resolve the issue).

The compliance violations related to appropriated budgets may be disclosed in the Note 1, *Budgeting Information*. Other violations (e.g., violations of grant requirements, bond covenants, regulations governing deposits or investments, etc.) should be disclosed here to avoid duplication.